

DIRECTIVE #3.7: PAY DIRECT

LEGISLATIVE AUTHORITY

Section 18 of the Act.

Section 61 of Regulation 134/98.

AUDIT REQUIREMENTS

The reasons for implementing pay direct are documented and noted on the participant's file.

Changes in circumstances have been verified and noted on the participant's file prior to the payment of arrears.

APPLICATION OF POLICY

An Administrator may make arrangements to pay all or a portion of assistance directly to a third party on behalf of a participant where:

- the Administrator is satisfied that an amount is owing or will be owing to the third party;
- the Administrator is satisfied that the participant is misusing or is likely to misuse the assistance issued for his/her benefit unit; or
- the participant, or another member of the benefit unit, indicates that help is required in managing the assistance issued for the benefit unit.

The possibility of introducing pay direct provisions should be discussed with the participant in advance. Although the consent of the participant is preferable, it is not required as long as the Administrator is satisfied that the need for a pay direct arrangement exists.

Pay direct arrangements may be sufficient to resolve concerns about the misuse of assistance and, where practicable, should be considered prior to the appointment of a trustee.

In some situations, it may be appropriate to use pay direct for the payment of shelter and/or utility costs, and a trustee for the remainder of the assistance issued to the participant.

In other situations, pay direct arrangements may be used as a tool to help participants shift from trusteeship to the management of his/her own affairs (see Directive #3.6: Trusteeship for more information).

Criteria for Implementing Pay Direct

Administrators should consider the following factors in determining whether or not a pay direct arrangement is appropriate:

- the participant has demonstrated a pattern of misuse of assistance resulting in a lack of funds for food or shelter during a month or months;
- the misuse of assistance has been harmful or is likely to be harmful to the participant and members of the benefit unit;
- the participant frequently makes late payments for rent or utilities to the landlord or utility company;
- rental or utility payments are currently in arrears;
- the Community Start-up and Maintenance Benefit (CSUMB) has been issued to avoid eviction or utility disconnection (see Directive #7.5: Community Start-up and Maintenance Benefit for more information); or
- the participant is at risk of being evicted or having his/her utilities disconnected.

Direct payments may be made to:

- a public or private landlord (i.e., for initial rental deposits, rental arrears or ongoing rent);
- a utility company (i.e., for deposits, arrears or ongoing service); or
- a trust account (i.e., where there is an order to direct rent to a trust account pending the resolution of a landlord and tenant dispute).

Once a pay direct arrangement has been implemented, it may remain in effect until it is evident that the participant is able to manage the assistance issued for the benefit unit.

Pay Direct Amount

If rent is paid directly, the amount of rent paid is based on the actual shelter cost up to the maximum allowable shelter for the benefit unit. If the actual shelter cost is higher than the shelter maximum for the benefit unit, staff should meet with the participant to discuss the high shelter cost and possible alternatives.

The pay direct amount must be specific to the current month (e.g., an amount for rent or utilities deducted from amount of assistance issued in September applies to the month of September). In situations where assistance issued is less than shelter costs (e.g., assistance is reduced due to income or earnings) pay direct is cancelled and the participant must assume the onus for paying his/her rent or utilities.

In situations of landlord and tenant disputes, caseworkers may direct a portion of a participant's assistance designated for rent to a trust account pending the resolution of the dispute.

In situations where a participant is a resident of the Local Housing Corporation (LHC), the LHC deduction should be the amount of the LHC rent charge.

Payment of Arrears Owing to the Participant

A change in circumstances pertaining to a participant's rent or utilities may result in arrears owing to the participant. If the Administrator receives the necessary verification of a change in circumstances, and shelter maximums have not been exceeded, then the full arrears owing to the participant must be paid.

Appeals

The decision to implement a pay direct arrangement cannot be appealed to the Social Benefits Tribunal (SBT). However, if the participant disagrees with a pay direct decision and requests an internal review, the internal review must be completed.